GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1633
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Forex Transaction in Banks
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has recently received reports of certain Indian companies being involved in irregularities relating to foreign exchange transactions and if so, the details thereof;
(b) whether the Government has conducted any investigations against certain Persons of Indian Origin who deposited black money in foreign banks and people who defaulted on loans taken from public sector banks which had to be converted to Non-Performing Assets;
(c) if so, the details thereof; and
(d) the action plan prepared by the Government to ensure that amounts deposited in public sector banks do not reach the money laundering market?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (c) Appropriate action against tax evasion is an on-going process. Such action under direct tax laws includes searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable.
Further, the Enforcement Directorate has been taking up investigations under FEMA as regards irregularities relating to Foreign Exchange Transactions made by various companies and also some cases under PMLA in which people have defaulted on loans taken from Public Sector Banks. The details of such cases cannot be provided at this stage, since the disclosure of the same may not be in public interest as the same may hamper the on-going investigations.
(d) On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to CBI/Police/SFIO, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur.